

AMENDED IN SENATE AUGUST 12, 2002

AMENDED IN SENATE AUGUST 5, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2561

Introduced by Assembly Member Vargas
(Coauthors: Assembly Members Aroner, Koretz, Longville,
Salinas, and Shelley)

February 21, 2002

An act to amend Sections 36601, 36610, 36621, and 36622 of, and to add Section 36605 to, the Streets and Highways Code, relating to business improvement districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2561, as amended, Vargas. Business improvement districts.

Existing law, the Property and Business Improvement District Law of 1994, authorizes cities to levy assessments within a business improvement area for the purpose of making improvements and promoting activities that benefit properties within the district. Existing law provides that upon the submission of a written petition, accompanied by a management district plan, signed by property owners in the proposed district who will pay more than 50% of the assessments proposed to be levied, a city council may initiate proceedings to form a business district by adopting a resolution that expresses this intent. Existing law additionally requires that the management district plan include, among other things, the specific number of years, to a maximum of 5 or 10, in which assessments would be levied.

This bill would define mass transit station for purposes of this law. The bill would authorize a city council to initiate proceedings to form a business district ~~in an area~~ that contains a mass transit station ~~within its boundaries~~ *and that proposes to spend a minimum of 25% of its budget promoting or encouraging mass transit use*, upon the submission of a written petition signed by property owners in the proposed district who will pay more than 30% of the assessments proposed to be levied. ~~This~~ The bill would provide that these assessments could be levied for a maximum of 10 years.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 36601 of the Streets and Highways
- 2 Code is amended to read:
- 3 36601. The Legislature finds and declares all of the
- 4 following:
- 5 (a) Businesses located and operating within the business
- 6 districts of this state's communities are economically
- 7 disadvantaged, are underutilized, and are unable to attract
- 8 customers due to inadequate facilities, services, and activities in
- 9 the business districts.
- 10 (b) It is in the public interest to promote the economic
- 11 revitalization and physical maintenance of the business districts of
- 12 its cities in order to create jobs, attract new businesses, and prevent
- 13 the erosion of the business districts.
- 14 (c) It is of particular local benefit to allow cities to fund
- 15 property related improvements, maintenance, and activities
- 16 through the levy of assessments upon the real property that
- 17 benefits from those improvements.
- 18 (d) It is in the public interest to give business areas served by
- 19 mass transit the tools to enhance economic and transportation
- 20 linkages to this resource.
- 21 (e) Assessments levied for the purpose of providing
- 22 improvements and promoting activities that benefit real property
- 23 are not taxes for the general benefit of a city, but are assessments
- 24 for the improvements and activities which confer special benefits
- 25 upon the real property for which the improvement and activities
- 26 are provided.



SEC. 2. Section 36605 is added to the Streets and Highways Code, to read:

36605. For purposes of this part, “mass transit station” means an intermodal station, a station served by rail transit, commuter rail, or intercity rail service, or a bus station. A bus station shall not include a bus stop for the general loading or unloading of passengers.

SEC. 3. Section 36610 of the Streets and Highways Code is amended to read:

36610. “Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.
- (m) Districts established pursuant to the requirements of subdivision (b) of Section 36621 may also provide secondary transportation services, including shuttle bus, trolley, or jitney services that link the business areas to the mass transit station or stations within the district.

SEC. 4. Section 36621 of the Streets and Highways Code is amended to read:

36621. (a) Upon the submission of a written petition, signed by the property owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The

1 amount of assessment attributable to property owned by the same
2 property owner that is in excess of 40 percent of the amount of all
3 assessments proposed to be levied, shall not be included in
4 determining whether the petition is signed by property owners
5 who will pay more than 50 percent of the total amount of
6 assessments proposed to be levied.

7 (b) For a proposed district that contains a mass transit station
8 within its boundaries *and proposes to spend a minimum of 25*
9 *percent of its budget promoting or encouraging mass transit use,*
10 upon the submission of a written petition signed by the property
11 owners in the proposed district who will pay more than 30 percent
12 of the assessments proposed to be levied, the city council may
13 initiate proceedings to form a district by the adoption of a
14 resolution expressing its intention to form a district. The amount
15 of assessment attributable to property owned by the same property
16 owner that is in excess of 24 percent of the amount of all
17 assessments proposed to be levied, shall not be included in
18 determining whether the petition is signed by property owners
19 who will pay more than 30 percent of the total amount of
20 assessments proposed to be levied.

21 (c) The petition of property owners required under subdivision
22 (a) or (b) shall include a summary of the management district plan.
23 That summary shall include all of the following:

24 (1) A map showing the boundaries of the district.

25 (2) Information specifying where the complete management
26 district plan can be obtained.

27 (3) Information specifying that the complete management
28 district plan shall be furnished upon request.

29 (d) The resolution of intention described in subdivisions (a)
30 and (b) shall contain all of the following:

31 (1) A brief description of the proposed activities and
32 improvements, the amount of the proposed assessment, and a
33 description of the exterior boundaries of the proposed district. The
34 descriptions do not need to be detailed and shall be sufficient if
35 they enable an owner to generally identify the nature and extent of
36 the improvements and activities and the location and extent of the
37 proposed district.

38 (2) A time and place for a public hearing on the establishment
39 of the property and business improvement district and the levy of

1 assessments, which shall not be held more than 90 days after the
2 adoption of the resolution of intention.

3 SEC. 5. Section 36622 of the Streets and Highways Code is
4 amended to read:

5 36622. The management district plan shall contain all of the
6 following:

7 (a) A map of the district in sufficient detail to locate each parcel
8 of property within the district.

9 (b) The name of the proposed district.

10 (c) A description of the boundaries of the district, including the
11 boundaries of any benefit zones, proposed for establishment or
12 extension in a manner sufficient to identify the lands included.
13 Under no circumstances shall the boundaries of a proposed district
14 overlap with the boundaries of another existing district created
15 pursuant to this part. Nothing in this part prohibits the boundaries
16 of a district created pursuant to this part to overlap with other
17 assessment districts established pursuant to other provisions of law
18 including, but not limited to, the Parking and Business
19 Improvement Area Law of 1989.

20 (d) (1) The improvements and activities proposed for each
21 year of operation of the district and the maximum cost thereof.

22 (2) For districts established pursuant to the requirements of
23 subdivision (b) of Section 36621, the plan shall include
24 improvements and activities that provide linkages between the
25 business areas and the mass transit station or stations within the
26 district.

27 (e) The total annual amount proposed to be expended for
28 improvements, maintenance and operations in each year of
29 operation of the district.

30 (f) The proposed source or sources of financing including the
31 proposed method and basis of levying the assessment in sufficient
32 detail to allow each property owner to calculate the amount of the
33 assessment to be levied against his or her property.

34 (g) The time and manner of collecting the assessments.

35 (h) The specific number of years in which assessments will be
36 levied. The management district plan may set forth specific
37 increases in assessments for each year of operation of the district.

38 (1) In a new district established pursuant to the requirements of
39 subdivision (a) of Section 36621, the maximum number of years

1 shall be five. Upon renewal, a district shall have a term not to
2 exceed 10 years.

3 (2) In a new district established pursuant to the requirements of
4 subdivision (b) of Section 36621, the maximum number of years
5 shall be 10. Upon renewal, a district shall have a term not to exceed
6 10 years.

7 (i) The proposed time for implementation and completion of
8 the management district plan.

9 (j) Any proposed rules and regulations to be applicable to the
10 district.

11 (k) A list of the properties to be assessed, including the
12 assessor's parcel numbers, and a statement of the method or
13 methods by which the expenses of a district will be imposed upon
14 benefited real property, in proportion to the benefit received by the
15 property, to defray the cost thereof, including operation and
16 maintenance. The plan may provide that all or any class or
17 category of real property which is exempt by law from real
18 property taxation may nevertheless be included within the
19 boundaries of the district but shall not be subject to the assessment.

20 (l) Any other item or matter required to be incorporated therein
21 by the city council.

